AGREEMENT BETWEEN
THE GOVERNMENT OF THE UNITED STATES OF AMERICA
AND THE GOVERNMENT OF THE REPUBLIC OF MOLDOVA
REGARDING THE RESCHEDULING OF
CERTAIN DEBTS OWED TO, GUARANTEED BY, OR INSURED BY
THE UNITED STATES GOVERNMENT AND ITS AGENCY

The Government of the United States of America (the "United States") and the Government of the Republic of Moldova ("Moldova") agree as follows:

ARTICLE I

Application of the Agreement

1. In accordance with the recommendations contained in the Agreed Minutes on the Consolidation of the Debt of Moldova, signed at Paris on May 12, 2006, (hereinafter referred to as the "Minutes") by representatives of certain nations, including the United States (hereinafter referred to as the "Participating Creditor Countries"), and by the representative of Moldova, the United States and Moldova agree to reschedule certain Government of Moldova payments with respect to debts which are owed to the United States Government and the United States Department of Agriculture ("USDA")resulting from PL-480 loans made to the Government of the Republic of Moldova.

2. This Agreement will be further implemented by a separate agreement (the "Implementing Agreement") between Moldova and the USDA with respect to the P.L.-480 agreements.

ARTICLE II

Definitions

1. "Contracts" means those USDA P.L.-480 agreements that have maturities of more than one year and which were extended to Moldova or covered by its guarantee, pursuant to an agreement or other financial arrangement concluded before December 31, 2000.

Debt service due as a result of debts described above and effected through special payment mechanisms or other external accounts is covered by this Agreement.

A table listing the relevant Contracts to be included under this rescheduling is attached hereto as Annex A.

2. "Consolidation Period" means the period from: (i) May 1, 2006 through April 30, 2007, inclusive, if the conditions of Article IV, paragraph 1 of this Agreement are satisfied; (ii) May 1, 2006 through April 30, 2008, inclusive, if the conditions set forth in Article IV, paragraph 2 of this Agreement are satisfied; and (iii) May 1, 2006 through December 31, 2008, inclusive, if the conditions set forth in Article IV, paragraph 3 of this Agreement are satisfied.

3. "Consolidated Official Development Assistance (ODA) Debt" means 100 percent of the sum of unpaid principal and interest falling due during the Consolidation Period with respect to the Contracts specified in Paragraph 1 of this Article.

4. "Consolidated ODA Arrears" means 100% percent of the sum of principal and interest, including Late Interest Charges, with respect to the Contracts specified in Paragraph 1 of this Article, which was due and unpaid as of April 30, 2006.

5. "Late Interest Charges" means interest payable on due but unpaid amounts of principal and interest, such charges having accrued through April 30, 2006, inclusive in accordance with the terms of the Contracts.

6. "Interest" means interest payable on Consolidated ODA Debt and Consolidated ODA Arrears in accordance with the terms of this Agreement. Interest shall accrue at the rates set forth in this Agreement beginning on the due dates specified in each of the Contracts for the payments of principal and interest comprising the Consolidated ODA Debt, and beginning on May 1, 2006, for each of the payments comprising the Consolidated ODA Arrears.

7. "Additional Interest" means interest accruing at the rates set forth in this Agreement and the Implementing Agreement on due but unpaid installments of Consolidated ODA Debt, and Consolidated ODA Arrears and Interest beginning on the respective due dates for such installments as established by this Agreement and continuing to accrue until such amounts are repaid in full.

ARTICLE III

Terms and Conditions of Payment

1. Moldova agrees to repay Consolidated ODA Arrears in United States dollars in accordance with the following terms and conditions:

   (a) The Consolidated ODA Arrears shall be paid as follows:

   32.50% on November 1, 2006
   9.25% on May 1, 2007
   9.25% on November 1, 2007
   9.25% on May 1, 2008

9.25% on November 1, 2008
30.50% according to Article III paragraph 2(a) of this Agreement.

(b) The rate of Interest on Consolidated ODA Arrears and Additional Interest on Consolidated ODA Arrears for USDA P.L.480 agreements shall be fixed at 3.06 percent per year.

(c) Interest with respect to Consolidated ODA Arrears will be paid on May 1 and November 1 of each year, commencing on November 1, 2006.

A table summarizing the amount of Consolidated ODA Arrears owed to the United States is attached hereto as Annex B.

2. Moldova agrees to repay the Consolidated ODA Debt in United States dollars in accordance with the following terms and conditions:

(a) Consolidated ODA Debt shall be paid in twenty (20) semi-annual, equal and successive installments, the first one to be made on March 1, 2018 and the last one to be made on September 1, 2027.

(b) The rate of Interest on Consolidated ODA Debt and Additional Interest on Consolidated ODA Debt for USDA P.L.-480 agreements shall be fixed at 3.06 percent per year.

(c) Interest with respect to Consolidated ODA Debt will be paid on March 1 and September 1 of each year, commencing on September 1, 2006.

A table summarizing the amount of Consolidated ODA Debt owed to the United States if the Consolidation Period covers from May 1, 2006 through April 30, 2007 is attached hereto as Annex C1. A table summarizing the amount of Consolidated ODA Debt owed to the United States if the Consolidation Period covers from May 1, 2006 through April 30, 2008 is attached hereto as Annex C2. A table summarizing the amount of Consolidated ODA Debt owed to the United States if the Consolidation Period covers from May 1, 2006 to December 31, 2008 is attached hereto as Annex C3.

ARTICLE IV

General Provisions

1. The Consolidation Period is the period from May 1, 2006 to April 30, 2007, inclusive, provided that Moldova continues to have a Poverty Reduction and Growth Facility (PRGF) arrangement with the International Monetary Fund (IMF).

2. The Consolidation Period shall be extended to cover the period from May 1, 2006 to April 30, 2008, inclusive, if: a) the Executive Board of the IMF approves the 2nd year arrangement under Moldova's PRGF before the end of June 2007; and (b) Moldova has made all payments due under this Agreement and under any other bilateral agreements with Participating Creditor Countries referred to in the Minutes. The longer Consolidation Period will be effective on the date the Chairman of the Paris Club notifies Moldova that the conditions set forth in sections (a) and (b) of this paragraph have been satisfied. If the above conditions are not satisfied, all amounts, which are due and payable under the Contracts after April 30, 2007, shall be payable according to the terms of such Contracts.

3. The Consolidation Period shall be extended to cover the period from May 1, 2006 to December 31, 2008, inclusive, if: a) The Executive Board of the IMF has approved the 3rd year arrangement under Moldova's PRGF before the end of June 2008; and (b) Moldova has made all payments due under this Agreement and under any other bilateral agreements with Participating Creditor Countries referred to in the Minutes. The longer Consolidation Period will be effective on the date the Chairman of the Paris Club notifies Moldova that the conditions set forth in sections (a) and (b) of this paragraph have been satisfied. If the above conditions are not satisfied, all amounts, which are due and payable under the Contracts after April 30, 2008, shall be payable according to the terms of such Contracts.

4. Moldova will seek to secure from all external creditors not participating in the Minutes, but including banks and suppliers, rescheduling or refinancing arrangements on terms comparable to those set forth in the Minutes for credits of comparable maturities and legal nature committing to avoid treatment more favorable than that accorded to the Participating Creditor Countries under the Minutes, as more specifically defined in the Minutes.

5. Moldova agrees to pay all Consolidated ODA Debt, Consolidated ODA Arrears, Interest, and Additional Interest, if any, to the United States in United States dollars without any deductions for taxes, fees or other charges or any other costs accruing inside or outside Moldova.

6. Moldova agrees to pay all debt service, if any, due and not paid as of May 12, 2006, which is owed to, guaranteed by, or insured by, the United States and its agency, but which is not covered by this Agreement, as soon as possible but no later than November 30, 2006. Late Interest Charges will be charged on these amounts in accordance with the terms of the respective agreements.

7. Any installment due under this Agreement prior to the date of the entry into force of this Agreement shall be paid as soon as possible, but not later than 35 days after the signing of this Agreement. Any principal or interest installments paid later than 35 days after the signing of this Agreement will be charged Additional Interest.

8. All terms of the Contracts remain in full force and effect, except as they may be modified by this Agreement.

ARTICLE V

Suspension or Termination

1. The United States may suspend or terminate this Agreement by giving sixty (60) days written notice to Moldova. In particular, the United States may terminate all or part of this Agreement if the Participating Creditor Countries determine that Moldova has not met its obligations under the Minutes, including that of comparable treatment. If the United States terminates all or part of this Agreement, all debts rescheduled under this Agreement shall be due and payable immediately according to terms of the original Contracts, following notification to Moldova of termination of the Agreement.

2. This Agreement may be amended or modified by mutual consent of the United States and Moldova.

ARTICLE VI

Entry Into Force

This Agreement shall enter into force following signature of the Agreement and receipt by Moldova of written notice from the United States that all necessary U.S. domestic legal requirements for entry into force of the Agreement have been fulfilled.

Done at Chisinau, Moldova, in two original copies in the English language, this 31st day of October, 2006.

Ambassador Michael D. Kirby
FOR THE GOVERNMENT OF THE
UNITED STATES OF AMERICA

Minister of Finance Mihail Pop
FOR THE GOVERNMENT OF THE
REPUBLIC OF MOLDOVA

Annex A
Contracts Subject to Rescheduling

United States Department of Agriculture
PL-480 Agreements

8/17/1992	4/13/1995
4/19/1993	5/31/1996
4/5/1994	9/6/1996

Annex B
Summary of Consolidated ODA Arrears
(thousands of US$)

USDA	$9,102

Annex C1
Summary of Consolidated ODA Debt
(thousands of US$)

USDA	$4,093

Annex C2
Summary of Consolidated ODA Debt
(thousands of US$)

USDA	$8,107

Annex C3
Summary of Consolidated ODA Debt
(thousands of US$)

USDA	$12,043